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AUCTION IN BARS TEST PROGRAM
PROGRAM / STATUS REPORT

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Auction in Bars

Test Program Objective

- To provide news and excitement to YAS and Marlboro franchise
- Create smoker networks.
- To evolve Marlboro Miles to provide value for Marlboro smokers beyond gear + catalog programs

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Auction in Bars

Program Concept

- Auction will be held in neighborhood bars
- Auction will be live
- Smokers will learn about auction through alternative ROP, in-bar POS materials and Direct Mail
- Smokers would bring their miles to the bar to bid for items

Program Tactic

- Items should not drive auction - do not advertise items
  - Display items in the bar a week/few days before event
- Allow test to build over 3 nights - word of mouth to spread

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Auction in Bars

Markets

- San Antonio: 3 nights on consecutive weeks

Bar

- Neighborhood bars
- Events/EMI identified possible bar choices

Timing

- Mid - October

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Items for Bid

- 4 items will be bid during an auction night
- Carry-home items
- 1 headliner item (last one up for bid)

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Auction in Bars

Current Item List

	Night 1	Night 2	Night 3
Top Tier	Camcorder	Mountain Bike	Autographed Guitar
Mid Tier	Western Buckle	Saddle Bag	Personal DVD
Low Tier	Dance Lessons	Palm Pilot	Dinner for 6
	Rotating CD holder	Compass	Ticket to Local Event

Other Items being Considered

Jukebox

Kayak

Year's supply of steaks

Pool Cue Set

Golf Clubs

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Auction in Bars

Communication Strategy

- Items up for bid would not be called out in advertisement
    - Grass roots/ spontaneity
    - Item would not drive auction

Communication Vehicles

- Alternate ROP & other local YA publications
- Direct Mail to YAS on database
- In-bar POS prior to auction night
    - includes menu board of items for night of
- Display items in bar a week/few days before to drive excitement and word of mouth

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Auction in Bars

Management and Staffing

- Management of event and staffing will be jointly handled by EMI and Diamond as follows:

	EMI	Diamond
Event Supervisor	X	X
Greeter	X	
Registration	X	
Auctioneer		X
Ringman		X
Recorders	X	
Miles Counters	X	
Security	X	

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Auction in Bars

Registration Process

- Smoker would need to sign registration form and meet GID requirements to participate

- Participants who are eligible will receive a numbered paddle to assist in bidding and tracking of bids

- All participants will be given 100 bonus miles to start off the bidding
  (only one certificate per bid)

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Auction in Bars

Bidding Process

- Auction items would be up for display, along with item board on Auction night
- Only registered bidders with paddles will be eligible to participate
- Minimum bid is announced for each item before bidding starts
- All bids are written down by bid recorders
- Highest bidder presents Miles at registration table. Miles are inspected for authenticity. ID is presented and checked against registration form.
- If Miles count is valid, smoker wins item. Delivery of item will be arranged for the larger items.
- If Miles count is invalid the next highest bidder is asked to present Miles for verification. This process continues for the top 5 bidders. If none of the top 5 bidders qualify to win, the item may go back to be re-auctioned (time-permitting) or may be removed from the auction.

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Auction in Bars

Program Status

- Presented program to cross-functional groups
- Creative developed
- Draft of rules with fulfillment and legal
- Items being cleared through legal
- Met with licensed auctioneer form Texas
- Contracted with Diamond

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Auction in Bars

Next Steps

• Finalize Rules	w/o 8/9
• Finalize Auctioneer selection	w/o 8/9
• Finalize Bar Selection	w/o 8/16
• DM Audience selection	w/o 8/16
• A&K for DM	w/o 8/16
• Finalize Item selection	w/o 8/23
• Complete Legal Clearance for Items	w/o 9/6
• In-bar Auction starts	w/o 10/11

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Auction in Bars

Issues

- Miles valuation
- Advertising Items
- Attendance / participation
- Smoker / Non-smoker environment

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